

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY OCA/USPS-103
(November 14, 1997)**

The United States Postal Service hereby provides its response to the following
interrogatory of the Office of the Consumer Advocate, filed on October 30, 1997:
OCA/USPS-103.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.

Chief Counsel, Rate-making



Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998; Fax -5402
November 14, 1997

RESPONSE OF THE U. S. POSTAL SERVICE
TO INTERROGATORIES OF OCA

OCA/USPS-103. Please refer to the United States Postal Service Response to OCA/USPS-48, filed October 24, 1997 ("Response"). Attachment 1 to the Response shows that for FY 1996, FIM Letter Volume was 7,769,287,000. Please note that First-Class Single-Piece Letter Volume as shown in the CRA Statistics by Class of Mail is 54,150,759,000.

- a. Confirm that Attachment 1 to the Response shows *First Class* FIM volumes. If not confirmed, please explain.
- b. Is it correct to say that 14.3% of First-Class letters are FIM-tagged? (7,769,287,000 divided by 54,150,759,000.) If not, please provide the correct percentage and show the derivation thereof.
- c. Please explain the difference between the 14.3% figure and the 12.51% figure used by witness Fronk (T-32) in his direct testimony, n.16, at 42, to derive his estimate of 6,800 million pieces of courtesy reply envelope mail in Test Year 1998.
- d. The 12.51% figure used by witness Fronk refers to "Stamped and Metered FIM." Please clarify what is meant by the term "Stamped and Metered FIM." Does the term include courtesy reply envelopes provided to a household by businesses such as utilities, mailed by a household, and to which a stamp is affixed by the household?
- e. Please refer to the Rebuttal Testimony of A. Joseph Alexandrovich in Docket No. MC95-1, at 28 (Tr. 36/16321). Table 1 on that page shows a First-Class Single-Piece FIM Letter-Shaped Volume of 5,829,649,144. Does this 5,829,649,144 figure identify the same type of FIM volume identified as FY 1996 FIM Letter Volume of 7,769,287,000, as set forth in Attachment 1 to the Response? If not, please provide an updated FY 1996 figure.

Response:

- a. The response to OCA/USPS-48 mistakenly uses preliminary AP results and will be corrected in a subsequent filing. The results for FY96 are shown in the attachment to this response. FY96 ODIS FIM volumes for single-piece letters, flats, parcels, and cards are shown in the row labeled "Total FIM." The response to OCA/USPS-48 will be corrected once FY95 ODIS volumes have been calculated.
- b. The percentage of First-Class single-piece letters that are FIM tagged can be determined by dividing the ODIS "Total FIM" letters (8,064,978,543) by

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the ODIS "Total" letters (50,263,855,497) which is 16.0 percent (see the attachment to this response). The percentage of total First-Class single-piece letters, flats and parcels which is FIM letters can be obtained by dividing the ODIS "Total FIM" letters (8,064,978,543) by the ODIS "Total" for letters, flats and parcels (in the column "Total L,F & P"), (55,723,129,022) which is 14.47 percent. When this percentage is applied to the RPW First-Class single-piece volumes of 54,150,759,000 we obtain the "RPW-Adjusted FIM" volumes for letters of 7,837,405,000 as shown in the attachment.

- c. The 12.51 percent figure used by witness Fronk is calculated using ODIS volumes for all shapes, shown in the last column of the attachment. It is the sum of "Metered FIM" volumes, 516,897,413, and the "Stamped FIM" volumes, 6,885,148,058, divided by total ODIS First-Class single-piece volumes of 59,152,043,001.
- d. This refers to pieces with a FIM that are either stamped or metered indicia. Courtesy reply envelopes provided by utilities and mailed by households with an affixed stamp are included as long as the piece has a FIM.
- e. As noted above the response to OCA/USPS-48 is to be revised. The FY96 ODIS First-Class single-piece letter FIM volume is 8,064,978,543 as shown in the attachment to this response.

ODIS Volumes:		FY96 Single-Piece Volumes																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Indicia/FIM Status	Letters	Flats	Parcels	Total L,F & P	Cards	Single-Piece	Total	Govt FIM			Metered No FIM			Permit FIM			Permit No FIM			Stamped FIM			Stamped No FIM			Total	Total FIM	Total No FIM	RPW-Adjusted Volumes: RPW (in 000s) RPW-Adjusted Shape RPW-Adjusted FIM RPW-Adjusted No FIM																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
								61,033,323	5,827,831	339,737	67,200,891	123,469,709	190,670,600	616,072,281	140,847,047	7,659,315	764,578,643	63,005,385	827,584,028	516,897,413	23,970,152,791	1,131,554,845	262,182,428	617,609,472	176,447,525					1,316,180,103	20,059,539,648	630,849,004	70,476,919	20,760,865,571	6,708,700,533	176,447,525	6,885,148,058	22,077,045,674	59,152,043,001	8,724,270,916	50,427,772,085																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
								48,845,533	4,855,801	449,425	54,150,759	3,052,105	57,202,864	8,431,172	48,771,692																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				</

Note: RPW Adjusted Volumes are based on applying ODIS volume percentages to RPW volumes. For example the RPW-Adjusted Volume, 48,845,533, is determined by multiplying the ODIS percentage of letters (50,263,855,497/55,723,129,022) times the RPW sin piece volumes of 54,150,759. See LR-H-126, Page IV-14 for additional examples of this calculation.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

A handwritten signature in black ink, appearing to read "Michael T. Tidwell", written over a horizontal line.

Michael T. Tidwell

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Washington, D.C. 20260-1137
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